VZCZCXRO3265 OO RUEHROV DE RUEHJM #1555 2400913 ZNR UUUUU ZZH O 280913Z AUG 09 FM AMCONSUL JERUSALEM TO RUEHC/SECSTATE WASHDC IMMEDIATE 5906 RHEHAAA/WHITE HOUSE WASHDC RHEHNSC/WHITE HOUSE NSC RUEKJCS/SECDEF WASHDC RUEKJCS/DIA WASHDC RUEAIIA/CIA WASHDC RUEADWD/DA WASHINGTON DC//DAS-ZD/DACS-ZK// RUEAHQA/CSAF WASHINGTON DC//POLAD// RHMFIUU/CMC WASHINGTON DC RHMFIUU/CNO WASHINGTON DC//POLAD// INFO RUEHXK/ARAB ISRAELI COLLECTIVE RUEHTU/AMEMBASSY TUNIS 7837 RUEHLO/AMEMBASSY LONDON 4809 RUEHFR/AMEMBASSY PARIS 4657 RUEHNC/AMEMBASSY NICOSIA 6150 RUEHRO/AMEMBASSY ROME 4576 RUCNDT/USMISSION USUN NEW YORK 3155

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SUBJECT: JERUSALEM MEDIA REACTION (08/28): Conflicting reports about a US-Israeli agreement on settlements

Main Stories:

The three dailies front-page news refuting earlier reports that the US reached an agreement with Israel about a partial freeze of settlement activities. Al-Ayyam quotes Palestinian Authority Presidential Spokesman Nabil Abu Rudeina praising US efforts, but denying that any concrete agreements between the US and Israel were made. Al-Quds cites US government sources saying that the US believes that a freeze of settlement activities must include East Jerusalem. Al-Ayyam also runs a separate front page story citing an unnamed US official hinting that there might be some flexibility concerning a freeze in settlement activity.

The local press highlights the "Elders" visit to the West Bank village of Bil'in, the site of weekly demonstrations against the barrier being built between Israel and the West Bank. The headlines quote former President Jimmy Carter calling on the Israelis to remove all settlements in the West Bank and East Jerusalem to help create an independent Palestinian state.

All three dailies run front page coverage of the restrictions imposed by the Israeli police on West Bank Palestinians wishing to enter Jerusalem to pray on Fridays during Ramadan. Only men over the age of 50 and women over the age of 45 may enter the city.-----

BLOCK QUOTES:

¹⁾ Saleh Al-Qallab opines in Al-Quds independent daily under the title "Palestine...from the Chaos of the Revolution to the Discipline of the State" (08/28): "The Palestinians will join the

negotiations that are supposed to resume after Barack Obama launches his promised peace plan during the UN General Assembly in September. They will go to the negotiations carrying with them the West Bank model as a weapon to face Israeli allegations and stalling tactics. Security is sustained, and chaos no longer exists. The PA now controls everything in the West Bank. The forthcoming independent state would be able to fulfill all of its commitments in any security or non-security agreements that signs with Israel."

2) Rasmi Abu-Ali opines in Al-Hayat Al-Jadida independent daily

under the headline "Even If It's for One Olive Tree" (08/28): "Now [PA Prime Minister Salam] Fayyad doesn't want to wait for negotiations to start building an independent Palestinian state ... He suggests that we try and light a candle instead of cursing the dark. He suggests that we start building what we can build from the current infrastructure. And here he calls for a kind of radical cultural transformation - the transition from the violent conflict mentality to the construction and building mentality - despite all the impossible circumstances surrounding the Palestinian people."

WALLES